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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH1013 Despite an increase in domestic prices of white rice, export prices of most grades of rice declined by 1-2 percent due to the continued weakening of the Thai baht from 30.6 to 30.9 baht/\$. The Indonesian government's contract with Thai rice exporters for 820,000 tons of white rice for delivery within April 2011 is expected to have a negligible impact on domestic prices.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Feb 1, 2011

| Quality | Exporter Observations | | | | | | | Period Average | |
|------------|-----------------------|----|-------|----|-----|-----|-----|----------------|------|
| | #1 | #2 | #3 | #4 | #5 | #6 | #7 | CUR. | PRV. |
| F WR 100 B | 965 | - | 1,000 | - | 970 | 925 | - | 965 | 985 |
| WR 100 B | 515 | - | 535 | - | 535 | 545 | 535 | 533 | 534 |
| PB 100% | 525 | - | 540 | - | 540 | 540 | 540 | 537 | 535 |
| PB 5% | 520 | - | 530 | - | 535 | 535 | 535 | 531 | 529 |
| WR 5% | 500 | - | 515 | - | 515 | 525 | 525 | 516 | 517 |
| WR 10% | 495 | - | 510 | - | 510 | - | - | 505 | 509 |
| WR 15% | 485 | - | 490 | - | - | - | - | 488 | 495 |
| WR 25% | 460 | - | 460 | - | - | - | - | 460 | 470 |
| WR 35% | - | - | - | - | - | - | - | - | - |
| A1 SUP | 400 | - | 420 | - | 410 | - | - | 410 | 405 |
| A1 SPEC | - | - | - | - | - | - | - | - | - |

Exchange rate: 30.90 baht/U.S.\$

Source: Average actual prices received from exporters

Despite an increase in domestic prices of white rice, export prices of most grades of rice declined by 1-2 percent due to the continued weakening of the Thai baht to 30.9 baht/\$, compared to 30.6 baht/\$ in the previous week. Last week, the Indonesian government concluded a contract with Thai rice exporters for 820,000 tons of white rice for delivery within April 2011. The contract consisted of 170,000 tons of 5% grade white rice at an average of \$540-550/MT (CIF) and 620,000 tons of 15% grade white rice at \$510/MT (CIF). The deal is expected to have a negligible impact on domestic prices because exporters have secured their rice supplies from the government stock release of 0.8 million tons of 5% grade white rice in early January 2011 with average accepted bidding prices of 12,600 baht/ton (\$420/MT).

The government's weekly benchmark price for white rice for January 31 – February 6, 2011 increased 1.0 percent.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

| | Rice paddy | | | | |
|--|-------------------------|--------------------------|----------------------|----------------|------------|
| | Fragrant rice (Hommali) | Provincial fragrant rice | Pathum fragrant rice | Glutinous rice | White rice |

| | | | | | |
|--|--------|--------|----------------------|--------|--------|
| 1. Eligible tonnage (ton/household) ^{a/} | 14 | 16 | 25 | 16 | 25 |
| 2. Insured prices (Baht/ton) ^{a/} | 15,300 | 14,300 | 11,000 ^{d/} | 9,500 | 10,000 |
| 3. Benchmark prices (Baht/ton) ^{b/ c/} | | | | | |
| Jan 3 - 9 | 13,108 | 12,878 | 10,442 | 13,942 | 8,636 |
| Jan 10-16 | 13,080 | 12,849 | 10,390 | 13,927 | 8,537 |
| Jan 17-23 | 12,990 | 12,799 | 10,403 | 13,966 | 8,527 |
| Jan 24-30 | 12,989 | 12,798 | 10,787 | 14,206 | 8,715 |
| Jan 31 - Feb 6 | 13,009 | 12,809 | 10,882 | 14,306 | 8,798 |
| 4. Compensation (1-2), (Baht/ton) | | | | | |
| Jan 3-9 | 2,192 | 1,422 | 558 | - | 1,364 |
| Jan 10-16 | 2,220 | 1,451 | 610 | - | 1,463 |
| Jan 17-23 | 2,310 | 1,501 | 597 | - | 1,473 |
| Jan 24-30 | 2,311 | 1,502 | 213 | - | 1,285 |
| Jan 31 - Feb 6 | 2,291 | 1,491 | 118 | - | 1,202 |
| 5. Market prices (Baht/ton) | | | | | |
| Jan 3-9 | 13,750 | 13,400 | 10,500 | 14,500 | 8,500 |
| Jan 10-16 | 13,750 | 13,000 | 10,500 | 15,000 | 8,350 |
| Jan 17-23 | 13,750 | 13,000 | 10,500 | 15,000 | 8,350 |
| Jan 24-30 | 13,750 | 13,500 | 10,500 | 15,000 | 8,350 |
| Jan 31 - Feb 6 ^{e/} | 13,750 | 13,750 | 10,500 | 15,000 | 8,350 |

Note:

^{a/} Cabinet approval on
Sep. 22, 2009

^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

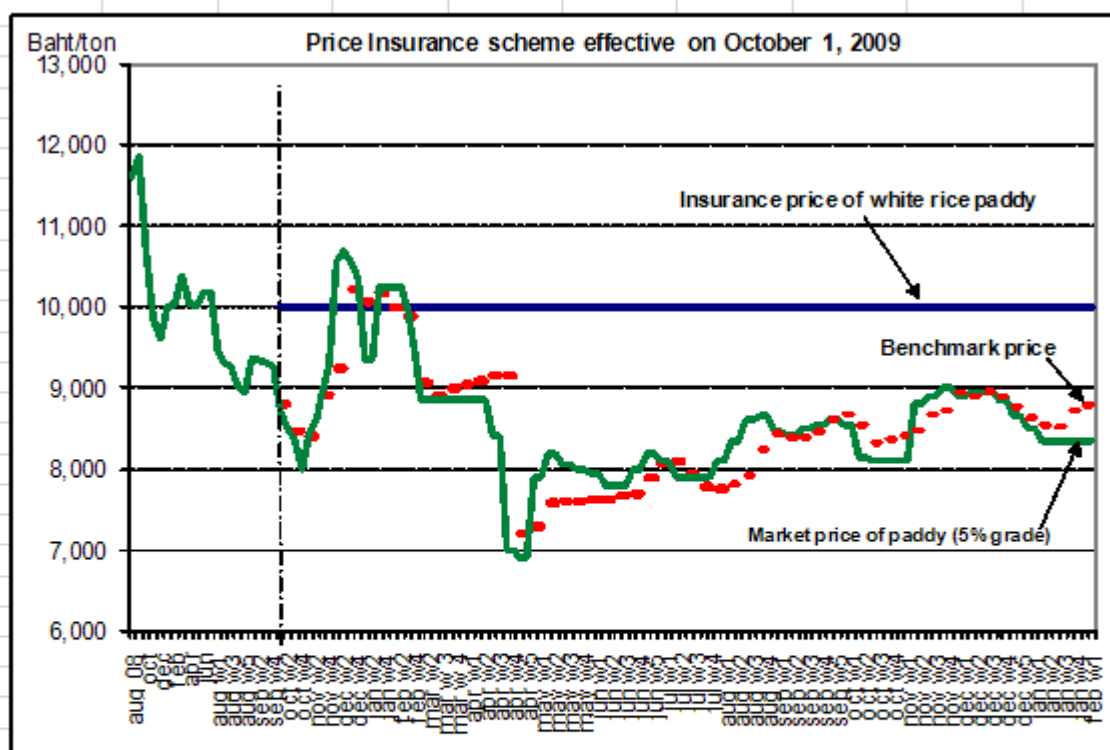
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.

¹⁷ As of Jan 31, 2011

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: ¹⁷ Benchmark prices are average historical wholesale prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

¹⁸ Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

¹⁹ Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for January 24-30, 2011 totaled 166,781 tons, down 12,642 tons from the previous week, and down 16,136 tons from the four week moving average of 182,917 tons. Exports of white rice and parboiled rice during January 1 – 30, 2011 totaled 735,270 tons, up 40.2 percent from 524,553 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – 25, 2011 amounted to 728,119 tons, up 24.1 percent from 586,811 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

| WEEK ENDING | QUANTITY | 4-WK AVG | YEAR TO DATE | YEAR AGO | YEAR TO DATE AS % OF LAST YEAR |
|----------------|----------|----------|--------------|----------|-----------------------------------|
| | (MT) | (MT) | (TMT) | (TMT) | (%) |
| Nov 28 | 158,089 | 163,130 | 5,811 | 5,425 | 7.1 |
| Dec 5 | 154,521 | 164,008 | 5,965 | 5,500 | 8.5 |
| Dec 12 | 154,966 | 158,637 | 6,120 | 5,614 | 9.0 |
| Dec 19 | 191,645 | 164,806 | 6,312 | 5,742 | 9.9 |
| Dec 26 | 181,514 | 170,662 | 6,493 | 5,852 | 10.6 |
| Dec 31 | 155,420 | 170,886 | 6,649 | 5,896 | 12.8 |
| Jan 2, 2011 | 3,600 | - | 4 | 1 | 260.0 |
| Jan 9 | 186,924 | - | 191 | 105 | 81.8 |
| Jan 16 | 198,541 | - | 389 | 272 | 42.8 |
| Jan 23 | 179,423 | - | 568 | 420 | 35.3 |
| Jan 30 | 166,781 | 182,917 | 735 | 525 | 40.2 |

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales

| Movement (MT) | Jan 10-14 (Revised) | Jan 17-21 | Jan 24-28 |
|---------------------------|--------------------------------|------------------|------------------|
| Weekly sales | 185,569 | 271,043 | 262,041 |
| 4 week sum | - | - | 850,601 |
| 4 week mov. avg. | - | - | 212,650 |
| Year-to-date sales | 317,517 | 588,560 | 850,601 |

End of report.